

BEFORE THE BOARD OF CONTRACTORS

STATE OF IDAHO

In the Matter of the Registration of: )  
 ) Case No. CON-2007-2  
IDAHO STEELCRAFT, LLC, )  
JIM WELSH, Owner, ) **STIPULATION AND**  
Registration No. RCE-7505, ) **CONSENT ORDER**  
 )  
Respondent. )  
 )

CON\Welsh\P62541ma

WHEREAS, information having been received by the Idaho State Board of Contractors (hereinafter the "Board") which constitutes sufficient grounds for the initiation of an administrative action against Idaho Steelcraft, LLC, and Jim Welsh (hereinafter collectively "Respondent"); and

WHEREAS, Respondent Jim Welsh is the sole member of Idaho Steelcraft, LLC, a registrant of the Idaho State Board of Contractors that was issued Registration No. RCE-7505 on February 21, 2006, to practice as a contractor in the State of Idaho. Respondent's registration is subject to the provisions of title 54, chapter 52, Idaho Code.

WHEREAS, on May 12, 2006, Respondent voluntarily surrendered Registration No. RCE-7505. A true and correct copy of the Voluntary Surrender of Registration/License is attached hereto as Exhibit A.

WHEREAS, the parties mutually agree to settle all remaining issues in the matter pending administrative Board action in an expeditious manner; now, therefore,

IT IS HEREBY STIPULATED AND AGREED between the undersigned parties that this matter shall be settled and resolved upon the following terms:

A.

1. The Board may regulate the practice of contracting in the State of Idaho in accordance with title 54, chapter 52, Idaho Code.

2. Idaho Code § 54-5204(1) provides in pertinent part: "On or after January 1,

2006, it shall be unlawful for any person to engage in the business of, or hold himself out as, a contractor within this state without being registered as required in this chapter.” “Contractor” is defined in Idaho Code § 54-5203(4)(a) to include “[a]ny person who in any capacity undertakes, offers to undertake, purports to have the capacity to undertake, or submits a bid to, or does himself or by or through others, perform construction.”

3. On February 21, 2006, the Board issued Registration No. RCE-7505 to Respondent to practice as a contractor in the State of Idaho.

4. On May 12, 2006, Respondent voluntarily surrendered Registration No. RCE-7505. Respondent’s voluntary surrender of licensure further authorized the Board to impose a civil penalty and to recover the costs and fees incurred in the investigation and prosecution.

5. On May 25, 2006, Respondent Jim Welsh filed a Chapter 7 bankruptcy in Idaho Bankruptcy Court Case No. 06-00592 and listed the assets and debts of Idaho Steelcraft, LLC, in his bankruptcy schedules. On May 26, 2006, Respondent filed an Amended Voluntary Petition in Case No. 06-00592 to include Idaho Steelcraft LLC as a name under which Respondent did business. On October 24, 2006, Respondent’s bankruptcy was discharged.

6. Pursuant to 11 U.S.C. § 523(a)(7), debts for a fine, penalty, or forfeiture payable to and for the benefit of a governmental unit are excepted from Respondent’s bankruptcy discharge under 11 U.S.C. § 727.

## **ALLEGATIONS**

### **Investigation No. CON-P3B-2-2006-11**

7. On or about November 8, 2005, Respondent submitted a bid proposal to Michael and Tana Gagnebin to construct a 24 x 40 x 12 high post frame building for the total cost of \$11,920.00. Construction of the building took place in January 2006.

8. Respondent’s engaging in the business of or holding himself out as a contractor to Mr. and Mrs. Gagnebin after January 1, 2006, and prior to registering as a

contractor with the Board on February 21, 2006, constitutes violations of Idaho Code §§ 54-5204(1), 54-5217(1) and 54-5215(2)(a).

**Investigation No. CON-P3B-2-2006-13**

9. On or about November 4, 2005, Respondent submitted a bid proposal to Robert Stewart to construct a 28 x 36 high post frame building for the total cost of \$12,800.00, and Mr. Stewart paid Respondent a down payment of \$6,400.00.

10. Respondent never started work on Mr. Stewart's building. On or about January 13, 2006, Mr. Stewart contacted Respondent and Respondent agreed to refund Mr. Stewart's down payment. On or about January 21, 2006, Mr. Stewart received a refund of \$2,100.00 from Respondent.

11. On or about January 31, 2006, Mr. Stewart contacted Respondent and requested the balance of his down payment. Mr. Stewart has never received the \$4,300.00 balance owing to him from Respondent.

12. Respondent's engaging in the business of or holding himself out as a contractor to Mr. Stewart after January 1, 2006, and prior to registering as a contractor with the Board on February 21, 2006, constitutes violations of Idaho Code §§ 54-5204(1), 54-5217(1) and 54-5215(2)(a).

13. Respondent's failure to either refund Mr. Stewart's money or begin construction on his building after Respondent registered with the Board on February 21, 2006, constitutes a violation of Idaho Code § 54-5215(2)(g).

**Investigation No. CON-P3B-2-2006-18**

14. On or about November 11, 2005, Respondent submitted a bid proposal to Jon and Brenda Mills to construct a 24 x 36 high post frame building for the total cost of \$11,000.00. On or about November 18, 2005, Mr. and Mrs. Mills paid Respondent a down payment \$5,500.00.

15. Mr. and Mrs. Mills were informed that a building permit was obtained. However, Respondent never started construction on Mr. and Mrs. Mills' building. On or

about March 20, 2006, Mrs. Mills directed Respondent to either start construction or refund the Mills' down payment, and Respondent responded that he would call back the next day. Since March 20, 2006, Respondent has not contacted Mr. or Mrs. Mills.

16. Respondent's engaging in the business of or holding himself out as a contractor to Mr. and Mrs. Mills after January 1, 2006, and prior to registering as a contractor with the Board on February 21, 2006, constitutes violations of Idaho Code §§ 54-5204(1), 54-5217(1) and 54-5215(2)(a).

17. Respondent's failure to either refund Mr. and Mrs. Mills' money or begin construction on Mr. and Mrs. Mills' building after Respondent registered with the Board on February 21, 2006, constitutes a violation of Idaho Code § 54-5215(2)(g).

#### **Investigation No. CON-P3B-2-2006-19**

18. On or about November 15, 2005, Respondent submitted a bid proposal to Roy and Rita Galbreath to construct a 36 x 36 high post frame building for the total cost of \$18,400.00. On or about November 25, 2005, Mr. and Mrs. Galbreath paid Respondent a down payment \$9,200.00.

19. Respondent began work on the building on or about January 27, 2006, by digging the holes for the poles. On or about February 9, 2006, some boards were put up around the walls. On or about February 23, 2006, Respondent informed Mr. Galbreath that the trusses were on order and would be delivered March 1, 2006. In or about March 2006, however, work on the building ceased and the building was left uncompleted.

20. The trusses were never delivered. The building was left with poles partially concreted in the holes and some of the horizontal wall supports (girders) in place.

21. Respondent's engaging in the business of or holding himself out as a contractor to Mr. and Mrs. Galbreath after January 1, 2006, and prior to registering as a contractor with the Board on February 21, 2006, constitutes violations of Idaho Code §§ 54-5204(1), 54-5217(1) and 54-5215(2)(a).

22. Respondent's failure to either refund Mr. and Mrs. Gailbreath's down

payment or complete their building after Respondent registered with the Board on February 21, 2006, constitutes a violation of Idaho Code § 54-5215(2)(g).

**Investigation No. CON-P4A-2-2006-35**

23. On or about September 26, 2005, Respondent submitted a bid proposal to John and Cindy Paustian to construct a 30 x 60 post frame building for the total cost of \$22,960.00. Mr. and Mrs. Paustian paid Respondent a down payment of \$11,480.00.

24. Respondent never started work on Mr. and Mrs. Paustian's building. Between January and March 2006, Respondent repeatedly informed Mr. or Mrs. Paustian that construction would begin shortly. On or about March 14, 2006, Ms. Paustian left a phone message for Respondent to either construct the building or refund their money.

25. Respondent's engaging in the business of or holding himself out as a contractor to Mr. and Mrs. Paustian after January 1, 2006, and prior to registering as a contractor with the Board on February 21, 2006, constitutes violations of Idaho Code §§ 54-5204(1), 54-5217(1) and 54-5215(2)(a).

26. Respondent's failure to either refund Mr. and Mrs. Paustian's down payment or construct their building after Respondent registered with the Board on February 21, 2006, constitutes a violation of Idaho Code § 54-5215(2)(g).

27. On or about April 13, 2006, the Bureau of Occupational Licenses was notified that Respondent's insurance coverage was being terminated as of April 18, 2006. Respondent's failure to maintain and keep current insurance coverage as required by Idaho Code § 54-5210 constitutes a violation of Idaho Code § 54-5215(2)(a).

28. Respondent, in lieu of proceeding with a formal disciplinary action to adjudicate the allegations as set forth above, hereby admits the violations and agrees to the discipline against his registration as set forth in Section C below.

**B.**

I, Jim Welsh, individually and as owner of Idaho Steelcraft, LLC, by affixing my signature hereto, acknowledge that:

1. I have read and admit the allegations pending before the Board, as stated above in section A. I further understand that these allegations constitute cause for disciplinary action upon my registration to practice as a contractor in the State of Idaho.

2. I understand that I have the right to a full and complete hearing; the right to confront and cross-examine witnesses; the right to present evidence or to call witnesses, or to so testify myself; the right to reconsideration; the right to appeal; and all rights accorded by the Administrative Procedure Act of the State of Idaho and the laws and rules governing the practice of contracting in the State of Idaho. I hereby freely and voluntarily waive these rights in order to enter into this stipulation as a resolution of the pending allegations.

3. Pursuant to the Voluntary Surrender of Registration/License, I have agreed to the Board's imposition of "a civil penalty and/or the imposition of costs and fees incurred by the Board in its investigation and prosecution of any claims or allegations against me." I understand that in signing this consent order I am enabling the Board to impose said civil penalty, costs and fees without further process.

### **C.**

Based upon the foregoing stipulation, it is agreed that the Board may issue a decision and order upon this stipulation whereby:

1. Respondent Jim Welsh shall pay to the Board an administrative fine in the amount of Five Thousand and No/100 Dollars (\$5,000.00) within one hundred eighty (180) days of the entry of the Board's Order.

2. The violation of any of the terms of this Stipulation by Respondent will warrant further Board action. The Board therefore retains jurisdiction over this proceeding until all matters are finally resolved as set forth in this Stipulation.

### **D.**

1. It is hereby agreed between the parties that this Stipulation shall be presented to the Board with a recommendation for approval from the Deputy Attorney

General responsible for prosecution before the Board at the next regularly scheduled meeting of the Board.

2. Respondent understands that the Board is free to accept, modify with Respondent's approval, or reject this Stipulation, and if rejected by the Board, a formal complaint may be filed against Respondent. Respondent hereby agrees to waive any right Respondent may have to challenge the impartiality of the Board to hear the disciplinary complaint if, after review by the Board, this Stipulation is rejected.

3. If the Stipulation is not accepted by the Board, it shall be regarded as null and void. Admissions by Respondent in the Stipulation will not be regarded as evidence against Respondent at the subsequent disciplinary hearing.

4. The Consent Order shall not become effective until it has been approved by a majority of the Board and endorsed by a representative member of the Board.

5. Any failure on the part of Respondent to timely and completely comply with any term or condition herein shall be deemed a default.

6. Any default of this Stipulation and Consent Order shall be considered a violation of Idaho Code § 54-5215. If Respondent violates or fails to comply with this Stipulation and Consent Order, the Board may impose additional discipline pursuant to the following procedure:

a. The Chief of the Bureau of Occupational Licenses shall schedule a hearing before the Board. Within twenty-one (21) days after the notice of hearing and charges is served, Respondent shall submit a response to the allegations. If Respondent does not submit a timely response to the Board, the allegations will be deemed admitted.

b. At the hearing before the Board upon default, the Board and Respondent may submit affidavits made on personal knowledge and argument based upon the record in support of their positions. Unless otherwise ordered by the Board, the evidentiary record before the Board shall be limited to such affidavits and this Stipulation and Consent Order. Respondent waives a hearing before the Board on the facts and

substantive matters related to the violations described in Section A, and waives discovery, cross-examination of adverse witnesses, and other procedures governing administrative hearings or civil trials.

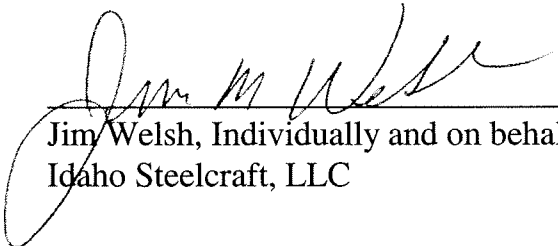
c. At the hearing, the Board will determine whether to impose additional disciplinary action.

7. This Stipulation and Consent Order is the resolution of a contested case and is a public record.

8. This Stipulation and Consent Order contains the entire agreement between the parties, and Respondent is not relying on any other agreement or representation of any kind, verbal or otherwise.

I have read the above stipulation fully and have had the opportunity to discuss it with legal counsel. I understand that by its terms I will be waiving certain rights accorded me under Idaho law. I understand that the Board may either approve this stipulation as proposed, approve it subject to specified changes, or reject it. I understand that, if approved as proposed, the Board will issue an Order on this stipulation according to the aforementioned terms, and I hereby agree to the above stipulation for settlement. I understand that if the Board approves this stipulation subject to changes, and the changes are acceptable to me, the stipulation will take effect and an order modifying the terms of the stipulation will be issued. If the changes are unacceptable to me or the Board rejects this stipulation, it will be of no effect.

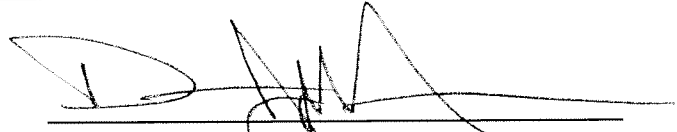
DATED this 8 day of JAN, 2007.

  
Jim Welsh, Individually and on behalf of  
Idaho Steelcraft, LLC



I concur in this stipulation and order.

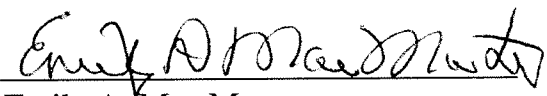
DATED this 8th day of Jan, 2007.

  
\_\_\_\_\_  
Darren J. Meacham  
Attorney for Respondent

I concur in this stipulation and order.

DATED this 22nd day of January, 2007.


STATE OF IDAHO  
OFFICE OF THE ATTORNEY GENERAL

By   
\_\_\_\_\_  
Emily A. Mac Master  
Deputy Attorney General

### ORDER

Pursuant to Idaho Code § 54-5207, the foregoing is adopted as the decision of the Board of Contractors in this matter and shall be effective on the 25th day of January, 2007. IT IS SO ORDERED.

IDAHO STATE BOARD  
OF CONTRACTORS

By   
\_\_\_\_\_  
Jerry Nemec, Chair

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on this 25<sup>th</sup> day of January, 2007, I caused to be served a true and correct copy of the foregoing by the following method to:

Jim Welsh  
5209 Targee #34  
Boise, ID 83705

- ☒ U.S. Mail
- ☐ Hand Delivery
- ☒ Certified Mail, Return Receipt Requested
- ☐ Overnight Mail
- ☐ Facsimile: \_\_\_\_\_
- ☐ Statehouse Mail

Darren J. Meacham  
Attorney at Law  
P.O. Box 891  
Boise, ID 83701

- ☒ U.S. Mail
- ☐ Hand Delivery
- ☐ Certified Mail, Return Receipt Requested
- ☐ Overnight Mail
- ☐ Facsimile: \_\_\_\_\_
- ☐ Statehouse Mail

Emily A. Mac Master  
Deputy Attorney General  
P.O. Box 83720  
Boise, ID 83720-0010

- ☐ U.S. Mail
- ☐ Hand Delivery
- ☐ Certified Mail, Return Receipt Requested
- ☐ Overnight Mail
- ☐ Facsimile: \_\_\_\_\_
- ☒ Statehouse Mail



Chief  
Bureau of Occupational Licenses

## IDAHO BUREAU OF OCCUPATIONAL LICENSES

### VOLUNTARY SURRENDER OF REGISTRATION/LICENSE

I, SIM WELSH, hereby voluntarily surrender my registration/license to practice as a CONTRACTOR in the State of Idaho. I agree and consent that the surrender of my registration/license to practice is done without an order, order to show cause, hearing, or any other proceeding compelling its surrender. In view of my alleged failure to comply with Idaho Law, title 54, chapter 52, Idaho Code, and the rules promulgated by the CONTRACTOR Board ("Board"), and as an indication of my good faith in desiring to remedy any incorrect or unlawful practices on my part, I voluntarily surrender my registration/license to practice in the State of Idaho and agree to immediately discontinue the practice of CONTRACTOR in this state.

I understand that I have the right to a hearing, the right to confront and cross-examine witnesses, the right to present evidence and testimony on my behalf, the right to appeal and all other rights accorded to me by the Idaho Administrative Procedures Act, title 67, chapter 52, Idaho Code, and the laws and rules governing the practice of CONTRACTOR, title 54, chapter 52 Idaho Code. I hereby freely and knowingly waive these rights without further process as a resolution of any claims or allegations which might otherwise be brought against me by the Board. I further waive any registration/license renewal rights provided by Idaho Code § 67-2614.

I acknowledge that in surrendering my registration/license to practice, I am not making any admissions; however, I specifically waive the right to contest this relinquishment in any subsequent proceeding. I acknowledge that the Board has jurisdiction to proceed against my registration/license pursuant to Idaho Code § 54-5215. I understand that the Board will enter an order either revoking or suspending my registration/license to practice based upon my voluntary surrender of my registration/license, which order may include a civil penalty and/or the imposition of costs and fees incurred by the Board in its investigation and prosecution of any claims or allegations against me, and I hereby consent to the imposition of such discipline.

I understand and acknowledge that by surrendering my registration/license to practice, all of the privileges associated with said registration/license are hereby surrendered until such time as I am again properly registered/licensed. I understand that to regain a registration/license to practice in the State of Idaho, I must re-apply to the Board pursuant to the provisions of title 54, chapter 52, Idaho Code, and all applicable rules and orders entered by the Board. I understand and agree that any decision regarding reinstatement of my registration/license is a discretionary decision for the Board. I understand and agree that the Board may rely on factors set forth in this document or other than those set forth in this document as grounds for denial of a petition for reinstatement of my registration/license or any registration/license application that I may submit.

I waive refund of any payments made by me in connection with my registration/license under the CONTRACTOR Act and any rules promulgated thereunder.

Name of Registrant/Licensee: SIM WELSH Registration/License No.: RCE 7505

Address: 5209 TALLER #34 Boise 83705  
street city zip

Signature of Registrant/Licensee or Authorized Individual: SIM WELSH

Date: 5/12/06

Signature of Witness: [Signature] Date: 5/12/06

Exhibit A  
Page 1 of 1